

# **NYMTC Annual Meeting – March 15, 2007**

## **Daniel L. Doctoroff**

### **#1: New York City 2030: Accepting the Challenge**

If you come to the bullpen, you will notice an electric countdown clock that at this very minute reads 1,023 days, 11 hours and XX minutes. Rather than a countdown to our escape from government servitude, the sign is a call to action, a reminder that there isn't much time to prepare New York to compete in the global economy of the 21<sup>st</sup> century.

As many of you probably know, in December, the Mayor challenged New Yorkers to join a conversation about how to make New York a sustainable city by 2030. At that time, he said that we would conduct a major outreach campaign to solicit ideas, get feedback and build towards consensus. Since then:

- We launched a website that has generated tens of thousands of hits and over 3,000 responses of feedback.
- We have also been out in communities, listening to the ideas New Yorker's have.

Quite frankly, the whole outreach process has been eye opening. New Yorkers are well versed on these issues and have many good ideas – many of which we are taking very seriously.

Today, I will focus on our transportation challenges. We have heard a lot of ideas on how we can improve our transportation infrastructure, but not surprisingly, fewer ideas on how to pay for the necessary improvements. If there's anything we have learned throughout this process, it's that none of the ideas can be looked at in isolation. If you care about air quality and carbon, we need an approach to transportation.

We've spent the past year and half taking an intense look at New York's long- term future, evaluating the priorities for New York City in the next 25 years. We studied the entire city – all 188 neighborhoods.

We studied the age and efficiency of all 25 power plants serving the city. We modeled current travel patterns of how, and by what modes, New Yorkers travel to work. And we studied congestion levels for all 250 miles of subway routes in 2030.

### **#2: New York's Major Challenges through 2030**

We identified three major challenges through 2030. The city will get bigger, our infrastructure will get older and our environment will be more precarious (at risk).

And we quickly discovered the scale/interdependency of these challenges. For example, our aging power plants damage our environment. And population and job growth put stresses on our strained infrastructure.

### **#3: Growth**

One of our biggest challenges is growth . . . you can see it happening all over the city ... with construction sites everywhere you look.

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### #4: NYC Population Growth

By the year 2000, New York regained the population we lost in the 1970s. Even the attack on September 11 did not reverse the city's growth.

As a result, our long-term projections show the city growing from our current 8.2 million residents to over 9 million by 2030. This growth is unprecedented in our history. It's the equivalent of adding the population of Boston and Miami combined. And this growth can generate incredible benefits from new tax revenues.

### #5: NYC Job and Tourism Growth

And the revenues won't just come from new residents. There will be three-quarters of a million more jobs. And we are predicting up to 65 million tourists.

### #6: Sustainability

We realized that in order to accommodate this growth, we needed a **long-term plan for sustainability**. What do we mean by **sustainability**? Leave a City to our children and grandchildren that is cleaner, healthier and more reliable than the one we enjoy – despite our growth.

### #7-#11: PlaNYC

In December, the Mayor challenged New Yorkers to start planning for the changes ahead over the next 25 years by laying out **10 aggressive, but achievable** goals as part of an effort called PlaNYC.

Let's run quickly through all 10 goals, and then we will focus on transportation.

- 1: Create enough housing that's affordable
- 2: Ensure that every NYer is within 10 minutes of a park
- 3: Reduce travel times by expanding transit capacity
- 4: Upgrade our water network
- 5: Reach a state of good repair for transportation
- 6: Provide clean, reliable power
- 7: Reduce global warming emissions by 30%
- 8: Achieve the cleanest air quality
- 9: Clean up contaminated land
- 10: Open 90% of waterways for recreation

Moreover, as we have discovered, **even THESE goals are interdependent**.

### #12: 10 Goals

We can't lower our greenhouse gas emissions or improve our air quality if we don't move people from their cars and onto mass transit.

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### #13: 10 Goals

We can't reduce travel times, unless we reach a state of good repair of all our roads and subways.

### #14: Growth

Congestion is our biggest barrier to growth – and we mean all kinds of congestion: transit, road and pedestrian. We all know that traffic conditions in the City are bad – and getting worse.

And we know what it costs us. Partnership for New York City recently released a study that showed that road congestion costs the City **\$11.5 billion\*** in lost productivity, wasted fuel, and lost business revenues. [\*Source: Growth or Gridlock, December 2006]

### #15: Looking Ahead, Increased Demand will ...

On both the roads and the rails, increased demand by 2030 will exceed capacity on virtually every crossing into the CBD.

### #16: NYC Congested Rail and Subway Lines 2006

- Today, **11 out of 26** subway routes are congested.

### #17: NYC Congested Rail and Subway Lines 2030

- 2030: **23 out of 26** subway routes will be congested.

If we don't plan for growth by adding new capacity, we'll find our entire city constrained by congestion of all forms. And while we need to expand our transportation system, we also cannot afford to forget to maintain what we have today.

I think I can speak for all of us in thanking the MTA for making such great strides over the last 25 years and over the last few as well. But we all know that the MTA's effort to achieve a state of good repair is only partially complete.

### #18: NYC Subway Stations

- Nearly **60%** of our subway stations are in **need of repair**.

### #19: Transit System is still \$15 Billion Away ...

And it's not just our stations. Achieving a state of good repair would allow for:

- More frequent trains on the old IND and BMT lines;
- Handicapped accessibility at the most heavily used subway stops; and
- Improved tunnel lighting to ensure the safety of workers and passengers.

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### **#20: Our Roads are not in a State of Good Repair**

And our roads are not in good repair either. From 1999 to today, the state of good repair for our roads has dropped approximately 15 percent. And at current investment rates, we predict that the state of repair for our roads will drop another 10 percent by 2030.

By any measure – land use, air pollution, carbon emissions – transit is far more efficient than the automobile. In a crowded city, it's also often the most convenient mode of travel – which is why 64% of New Yorkers commute to work without using a car.

We know we need to enhance our mass transit system in order to solve our congestion problems.

### **#21: PlaNYC**

As part of our PlaNYC effort, we have been out in neighborhoods around the city talking to New Yorkers about our goals. In every place we go, we hear that we need to expand the system and invest in transit. Everyone talks about the mega projects:

- East Side access
- The Long Island–Lower Manhattan rail link
- And of course, the Second Avenue subway

And it's not just the mega projects. New Yorkers are asking for:

- Completion of our bike network
- Expanding ferry access
- BRTs

It's also not just the Manhattanites who care. Across the outer boroughs, New Yorkers are realizing that we cannot rely on autos. Whether it's getting into Manhattan or getting to the outer borough CBDs like downtown Brooklyn, it is clear that New Yorkers want more transit.

Everyone agrees that these investments will give great payoffs to the economy... the problem is that we don't know how to pay for them. In fact, that has been our problem for the past 50 years.

### **#22: The Subway System has not Been Expanded in Decades**

From 1950-1980, not only did our subway system fall apart, we allowed it to shrink. Today, our subway system carries as many passengers as it did in 1952 – but the system actually has 10 fewer route-miles than it did in that year.

**For 50 years, we have known that we need to expand the system.**

- The new Hudson River tunnel was first planned in the late 1980s;
- East Side access was first planned in the 1950s; and, of course,
- The Second Avenue subway was first planned in the 1920s.

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#### #23: Growth

It's a great thing that the MTA is about to start construction on the Second Avenue Subway. It's fantastic that we now have a full-funding agreement with U.S. DOT for East Side access. But we can't afford to forget that we've seen that played out before.

The 63<sup>rd</sup> Street Tunnel has been there for 30 years, but we ran out of money to link it to Long Island. When we break ground for the Second Avenue, it will be the **third groundbreaking for the same project.**

In the past, people have been **confident that the money would come from somewhere.** So confident that they went ahead and tore down the Third Avenue El in anticipation of the Second Avenue subway. We can't afford to make that mistake again.

We need to recognize that a "full-funding agreement" is just the federal government's commitment to meet its share – not a commitment to finish the job. We need to recognize that we can and should start construction, but we don't actually have all the money we need for phase 1 of the Second Avenue line – let alone phases 2 through 4.

**In short, we need to recognize that the money is going to have to come from somewhere. And if we don't yet know exactly where, it's a good indication that we may not get what we want.**

Responsible investment is something that we must be willing to do. And we must be willing to do that now.

- The State only funds the MTA capital plan in five-year increments, but we know that we can't wait that long.
- And we already know that the current capital plan is not sufficient.
- More and more projects will be pushed out if we don't focus on these issues now.

#### #24: New York City 2030: Accepting the Challenge

New Yorkers often thank the previous generations, who:

- Created a street grid for a city of a million, at a time when New York only had 100,000 residents;
- Built a massive Central Park at a time when few lived above 23<sup>rd</sup> Street;
- Built a water system with the capacity to last for centuries;
- Built the subway system that we rely on today.

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But we seldom think about the fact that those New Yorkers made the decision not only to do those things, but to pay for them as well. In the 19th century, the street grid was, in general, paid for by a similar type of tax increment financing that we've now used to fund the 7 train extension.

- Central Park was paid for by a general tax, because all New Yorkers were intended to use the park.
- The early water system was funded through a series of user fees.
- The subways were built through what was then a remarkably innovative public-private partnership, but one that still included vast sums of public money.

In all of those cases, New Yorkers argued over who should pay what but ultimately settled on financing approaches that were based on the principle that those who benefited should contribute. Those New Yorkers were willing to make sacrifices for the good of the City – and to secure their future. Now it's our turn.

We must be similarly bold and creative as we approach the transportation challenges of the 21<sup>st</sup> century. Thank you.